

**NOTE:** Appearing first is the Full Board summary which is the last meeting of the day. The committees will follow in the order of which time they were conducted. The Dealer Board staff felt it would benefit our readers to have the last meeting of the day appear first on the website.

~ 2<sup>nd</sup> DRAFT ~

Meeting Summary  
**Motor Vehicle Dealer Board**  
Monday, July 11, 2005

Chairman D.B. Smit called the Dealer Board meeting to order at 11:42 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 17 Board members present. Present were members Carlton Courter, Steve Farmer, Rick Hunt, Lynn Hooper, Todd Hyman, Clyde King, David Lacy, Hugh McCreight, Pat Patrick, Max Pearson, Frank Pohanka, Ted Robertson, Chris Schroeder, Larry Shelor, Vince Sheehy and Robert Woodall. (Absent: Bobby Joe Dotson and James Mitchell). Bruce Gould, Peggy Bailey and Debbie Allison represented the Dealer Board. Don Boswell and Jim Gurney represented DMV. Rick Walton represented the Attorney General's Office. Alice Weedon acted as Recording Secretary.

The May 9, 2005 meeting summary was approved.

**PUBLIC COMMENT**

There was no public comment.

**STATUTORY COMMITTEE REPORTS:**

**Dealer Practices Committee:**

- **James C. Ramey, Sr. and Ramey Ford, Inc.** Chairman Todd Hyman summarized for the Board the discussion held in the Committee meeting regarding James C. Ramey, Sr. and Ramey Ford, Inc. Based on that discussion, Mr. Hyman made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Mr. James C. Ramey, Sr. and Ramey Ford, Inc for alleged violations of Va. Code §46.2-1537, compensating an individual, who is not licensed by the dealership, in the connection of the sale of a motor vehicle. Based on due consideration, and the recommendation of the hearing officer, the Board believes a civil penalty should be levied against Mr. James C. Ramey, Sr. and Ramey Ford, Inc. The Board hereby assesses a civil penalty in the amount of \$3,300 on Mr. James C. Ramey, Sr. and Ramey Ford, Inc. violations of Va. Code §46.2-1537.

Frank Pohanka seconded. The motion carried unanimously.

- **Danny K. Shepard and Fincastle Motor Co.** Chairman Todd Hyman summarized for the Board the discussion held in the Committee meeting regarding Danny K. Shepard and Fincastle Motor Co. Based on that discussion, Mr. Hyman made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning the renewal applications submitted by Danny K. Shepard and Fincastle Motor pursuant to Va. Code §46.2-1575(1), having made a material misstatement on an application and §46.2-1575 (6), deceptive acts and practices and alleged violations related to failing to have an established place of business, §46.2-1510 (dealership required to have established place of business), §46.2-1515 (dealership must specify licensed location) and §46.2-1518 (failure to display list of dealership's licensed salespersons) and 46.2-1575(3) (failure to have the requisite established place of business). The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Mr. Danny K. Shepard and based on due consideration, the Board believes that a civil penalty should be assessed for submitting renewal applications with false information. The Board hereby assesses civil penalties totaling \$2,300 on Danny K. Shepard for violations of Va. Code §46.2-1575 (1) and (6), having made a material misstatement on applications submitted to the Board and for having committed deceptive acts and practices.

Pat Patrick seconded. The motion carried unanimously.

- **Seyed Bassam and Eastern's Auto Outlet.** Chairman Todd Hyman summarized for the Board the discussion held in the Committee meeting regarding Seyed Bassam and Eastern's Auto Outlet. Based on that discussion, Mr. Hyman made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Mr. Seyed Bassam and RDA Inc. t/a Eastern's Auto Outlet for alleged violations of Va. Code §46.2-1537, compensating an individual, who is not licensed by the dealership, in the connection of the sale of a motor vehicle. Based on due consideration, and the recommendation of the hearing officer, the Board believes a civil penalty should be levied against Mr. Seyed Bassam and RDA Inc. t/a Eastern's Auto Outlet. The Board hereby assesses a civil penalty in the amount of \$1,500 on Mr. Seyed Bassam and RDA Inc. t/a Eastern's Auto Outlet for violations of Va. Code §46.2-1537.

Robert Woodall seconded. The motion carried unanimously.

- **Variance Request: Jerry's Automotive.** Chairman Todd Hyman summarized for the Board the discussion held in the Committee meeting regarding the variance request of Jerry's Automotive. Based on that discussion, Mr. Hyman made the following motion: In accordance with the authority given to the Board to modify the minimum hours requirements as set-out in §46.2-1533, that Jerry Farmer, Inc T/A Jerry's Automotive Sales and Service (dealer #833) be granted a variance from the requirement of being opened for business at least 10 hours per week between the hours of 9:00 am and 5:00 pm, Monday through Friday provided that the dealership be open a minimum of 5 hours per week between the hours of 9:00 am and 5:00 pm, Monday through Friday. This variance shall be in effect through September 30, 2006.

Frank Pohanka seconded. The motion carried unanimously.

### **Licensing Committee:**

Vice-Chairman Frank Pohanka summarized discussions held and actions that were taken during the Committee Meeting.

### **Advertising Committee:**

Chairman Vince Sheehy summarized discussions that were held during the Committee Meeting.

- **Robert S. Kline and R K Toyota.** Chairman Vince Sheehy summarized for the Board the discussion held in the Committee meeting regarding Robert S. Kline and R K Toyota. Based on that discussion, Mr. Sheehy made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Mr. Robert Kline and R K Motors, LLC. t/a R K Toyota for alleged violations of Va. Code §46.2-1537, compensating an individual, who is not licensed by the dealership, in the connection of the sale of a motor vehicle and §§46.2-1581 (4) and (12) and VAC 22-30-30(L)(1) and §46.2-1575(6) and (7) related to allegations of "bait and switch" advertising and practices. Based on due consideration, and the recommendation of the hearing officer, the Board believes a civil penalty should be levied against Mr. Robert Kline and R K Motors, LLC. t/a R K Toyota. The Board hereby assesses a civil penalty in the amount of \$4,100 on Mr. Robert Kline and R K Motors, LLC. t/a R K Toyota for violations of Va. Code §46.2-1537, and the Board assessed a civil penalty in the amount of \$4,000 on Mr. Robert Kline and R K Motors, LLC. t/a R K Toyota for violations of Va. Code §§46.2-1581(4) and (12) and VAC 22-30-30(L)(1) and §§46.2-1575(6), having used deceptive acts and practices and (7), knowingly advertising something that is untrue, misleading or deceptive.

Pat Patrick seconded. The motion carried unanimously.

### **Transaction Recovery Fund Committee:**

Chairman Steve Farmer summarized discussions held and actions that were taken during the Committee Meeting.

- **James & Gloria Brandt and Celebration Chevrolet and Nations Auto Loan Center, Michael and Gina Thompson and Automax Sales, Inc.** Chairman Steve Farmer summarized for the Board the discussion held in the Committee meeting regarding James & Gloria Brandt and Celebration Chevrolet and Nations Auto Loan Center, Michael & Gina Thompson and Automax Sales, Inc. Based on that discussion and the recommendation in the case, Mr. Farmer made the following motions: Pursuant to §46.2-1527.1 et seq. of the Code of Virginia, which is known as the Motor Vehicle Transaction Recovery Fund ("Fund"), the Board has reviewed and considered claims submitted for payment from the Fund on the claims and based on due consideration and recommendation of the hearing officer, the Board believes the following claims should be payable from the Fund. The Board hereby approves and reaffirms the following claims and payment amounts subject to compliance by the claimant with statutory requirements:

<b>James &amp; Gloria Brandt, Celebration Chevrolet and Nations Auto Loan Center</b>	<b>\$20,000.00</b>
<b>Michael &amp; Gina Thompson and Automax Sales, Inc.</b>	<b>\$10,081.00</b>

Pat Patrick seconded. The motion carried unanimously.

### **OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

### **NEW BUSINESS**

**Curbstoning Report.** Don Boswell, Chief of Investigations for DMV, gave a brief update on ISO investigations relating to curbstoning since the March Board meeting.

The next meeting will be scheduled for September 12, 2005

### **NEW BUSINESS FROM THE FLOOR**

There was no new business from the floor.

**Executive Director's Report.** Bruce Gould wanted to personally thank all the departing Board members for a job well done and will let every one as soon as the new Board members are announced.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Smit adjourned the meeting at 12:12 p.m.

Meeting Summary  
**Dealer Practices Committee**  
Monday, July 11, 2005

Chairman Todd Hyman called the Dealer Practices Committee meeting to order at 8:32 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were Committee members Vince Sheehy, Clyde King, Hugh McCreight, Pat Patrick, Frank Pohanka, Ted Robertson, Chris Schroeder and Robert Woodall. (Absent: Bobby Joe Dotson and James Mitchell) Other Board members present: D.B. Smit, Lynn Hooper, Rick Hunt, Steve Farmer, Max Pearson, David Lacy and Larry Shelor. Executive Director Bruce Gould, Peggy Bailey and Debbie Allison represented the Dealer Board. Jim Gurney represented DMV. Rick Walton was present from the Attorney General's Office.

The May 9, 2005 meeting summary was approved.

**PUBLIC COMMENT**

There was no public comment.

**OLD BUSINESS**

**Update: May Actions.** Peggy Bailey reported on the actions taken at the Dealer Practices Committee meeting on May 9, 2005.

**OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

**NEW BUSINESS**

**Review and Action: Informal Fact-Finding Conference:**

- **James C. Ramey, Sr. and Ramey Ford, Inc.** On May 19, 2005, an informal fact-finding conference was conducted to address the alleged violation of §46.2-1537 (Sales activities by Unlicensed salesperson) against James C. Ramey, Sr. and Ramey Ford, Inc. Based on the information provided at the conference, the hearing officer recommended that the Board assess a civil penalty of \$50.00 for each of the thirty (30) full sales and a \$35.00 civil penalty for the ten (10) partial sales that predated Ramey Ford's effort to transfer Mr. Shepard's (the unlicensed individual) license, which comes to \$1,850 in civil penalties. It was further recommended that a \$10 civil penalty be assessed for each of the 145 sales, full or partial, after the dealer's failed attempt to license Mr. Shepard, which comes to \$1,450 in civil penalties. Thus, a total civil penalty of \$3,300 to be assessed against Mr. Ramey and Ramey Ford, Inc.

Motion was made by Pat Patrick to accept the hearing officer's recommendation and assess a civil penalty of \$3,300. Frank Pohanka seconded. The motion carried unanimously.

- **Danny K. Shepard and Fincastle Motor Company.** On May 19, 2005, an informal fact-finding conference was conducted to address the alleged violations of §46.2-1510 (dealership required to have established place of business), §46.2-1515 (dealership must specify licensed location) and §46.2-1518 (failure to display list of dealership's licensed salespersons), 46.2-1575(1) (material misstatement in application for Board issued license), 46.2-1575(3) (failure to have the requisite established place of business) and 46.2-1575(10) (having used deceptive acts or practices) against Danny K. Shepard and Fincastle Motor Company. Based on the information provided at the conference, the hearing officer recommended that a civil penalty of \$200.00 for the 2003 material misstatement on the DSD-10, \$300.00 for the material misstatements on the 2004 DSD-10 and one salesperson's application, and \$500 for the material misstatement on the 2005 DSD-10, the salesperson's application and the dealer plate application. Thus, a total civil penalty of \$2,300.00 to be assessed against Danny K. Shepard and Fincastle Motor Company.

Motion was made by Todd Hyman to accept the hearing officer's recommendation of assessing a civil penalty of \$2,300.00, with the modification of assessing the penalty against Mr. Shepard individually, rather than Fincastle Motor Company. Robert Woodall seconded. The motion carried unanimously.

- **Seyed Bassam and Eastern's Auto Outlet.** On April 27, 2005, an informal fact-finding conference was conducted to address the alleged violation of §46.2-1537 (allowing unlicensed salesperson to sell vehicles before they are licensed). Based on the information provided at the conference, the hearing officer recommended that a civil penalty of \$3,000 be imposed against Mr. Bassam, which equals a civil penalty of \$100.00 for each vehicle sold by the unlicensed salesperson.

Motion was made by Robert Woodall to assess \$50 per transaction, rather than the recommended \$100 per transaction, for a total civil penalty of \$1,500, because the salesperson had taken and passed the qualification test and because of a misunderstanding, did not apply for a license. Frank Pohanka seconded. The motion carried unanimously.

- **Variance Request: Jerry's Automotive.** Bruce Gould reported that for the past 7 years, Jerry Farmer has requested a variance in hours for his dealership, Jerry's Automotive Sales and Service, because of his teaching schedule.

Motion was made by Frank Pohanka to accept Mr. Farmer's request for variance. Robert Woodall seconded. The motion carried unanimously.

- **Report on Variance Requests (Dealer Hours and Storage of Dealer Records).** Bruce Gould indicated that 7 requests for keeping records at another location other than the dealership and all were approved. There were 5 requests for on-line dealers who want to all their on-line work at a centralized location and all were approved.

## **NEW BUSINESS FROM THE FLOOR**

There was no new business from the floor.

The next meeting was scheduled for September 12, 2005.

The meeting adjourned at 9:07 a.m.



Meeting Summary  
**Dealer Licensing Committee**  
Monday, July 11, 2005

Vice-Chairman Frank Pohanka called the Dealer Licensing Committee meeting to order at 9:09 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members Steve Farmer, Rick Hunt, Todd Hyman, David Lacy, Larry Shelor and Robert Woodall. (Absent: Bobby Joe Dotson and James Mitchell) Other Board members present: D.B. Smit, Ted Robertson, Lynn Hooper, Rick Hunt, Vince Sheehy, Clyde King, Max Pearson, Hugh McCreight, Pat Patrick and Chris Schroeder. Executive Director Bruce Gould, Peggy Bailey and Debbie Allison represented the Dealer Board. Jim Gurney represented DMV. Rick Walton represented the Attorney General's Office.

The May 9, 2005 meeting summary was approved.

**PUBLIC COMMENT:**

There was no public comment.

**OLD BUSINESS**

**Update: May Actions.** Peggy Bailey reported on the actions taken at the Dealer Practices Committee meeting on May 9, 2005.

- **Update and Discussion: Dealer-Operator Test and Course.** Bruce Gould stated that on June 24, he sent a package to all the Licensing Committee members relating to staff's progress in updating the Dealer-Operator test. The package included a draft of the updated test for the committee members to review and comment. This last session of the General Assembly passed a bill that creates a new dealer-operator classification for independent dealerships. This classification requires applicants to pass a course of study and before they are allowed to take the dealer-operator test. Also, as part of this legislation, it is to identify third parties to administer the course. Notices have been sent to interested parties, as well as published in the Virginia Register of Regulations and also sent to all Virginia Community Colleges, notifying them of the opportunity to conduct this course and to attend the July 18 organizational meeting. All members of the Licensing Committee are urged to attend this meeting. It was also discussed whether or not a study guide is needed for the test and consensus was that since a course of study will be offered, a study guide would be needed. Bruce requested that if anyone had any suggestions or topics for the course, to let him know or bring them up at the July 18 meeting. Some suggestions at today's meeting were to include in the course, how to fill out all the proper forms and dealer advertising.

**OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

**NEW BUSINESS**

The next meeting was scheduled for September 12, 2005.

**NEW BUSINESS FROM THE FLOOR**

There was no new business from the floor.

The meeting adjourned at 9:56 a.m.



Meeting Summary  
**Advertising Committee**  
Monday, July 11, 2005

Chairman Vince Sheehy called the Advertising Committee meeting to order at 9:56 a.m. in Room 702, at DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members Ted Robertson, Steve Farmer, Rick Hunt, Hugh McCreight, Pat Patrick, Max Pearson, Chris Schroeder and Larry Shelor. Other Board members present: D.B. Smit, Lynn Hooper, Todd Hyman, Frank Pohanka, Robert Woodall, Clyde King and David Lacy. Executive Director Bruce Gould, Peggy Bailey and Debbie Allison represented the Dealer Board. Jim Gurney represented DMV. Rick Walton represented the Attorney General's Office.

The May 9, 2005 meeting summary was approved.

**PUBLIC COMMENT**

There was no public comment.

**OLD BUSINESS**

**OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

**NEW BUSINESS**

Review and Action: Informal Fact-Finding Conference:

- **Robert S. Kline and R K Toyota.** On March 29, 2005, an informal fact-finding conference was convened to address the alleged violations of §46.2-1581 (Advertising violations deemed unfair, deceptive or misleading (4) conditions and disclaimers must be stated clearly and conspicuously and (12) "bait" advertising prohibited and Regulation 24 VAC 22-30-30(L)(1) "Bait" advertising prohibited, §46.2-1537 (Unlicensed persons prohibited from selling or being compensated for selling motor vehicles) and §46.2-1575(2) (failure to comply with written warning or willful failure to comply with law), §46.2-1575(6) using deceptive acts or practices and §46.2-1575(7) (knowingly advertising any untrue, misleading or deceptive fact. Based on the information provided at the conference, the hearing officer recommended that a civil penalty totaling \$10,000.00 for violations of §46.2-1537 and also the dealer's license be suspended for 7 days for violations of §46.2-1581 (4) and (12) and Regulation 24 VAC 22-30-30(L)(1) and grounds for suspensions are based on violations of §46.2-1575(6) and (7).

Kenneth W. Stolle, attorney for Mr. Kline and R K Toyota spoke on behalf of his client. Mr. Stolle's main concern was the 7 day suspension. He indicated that while they did have some disagreement with some of the hearing officer's conclusions, Mr. Kline and R K Toyota do not deny the violations of the Code; however, he would like the Committee to consider setting aside the hearing officer's recommendation of a license suspension and instead, impose a civil penalty for the allegations related to advertising and "bait and switch". General discussion followed.

Motion was made by Vince Sheehy to assess a civil penalty for the advertising violations of Code Sections 46.2-1581(4) (assessed \$1,000) and 46.2-1581(12), VAC 22-30-30(L)(1) (assessed \$1,000) and §§46.2-1575(6) (assessed \$1,000) and 46.2-1575(7) (assessed \$1,000), for a total civil penalty of \$4,000 and to assess a \$4,100 civil penalty for the violations of Code Section 46.2-1537 for the 41 unlicensed transactions for a total assessment of \$8,100.00, but to reject the hearing officer's recommendation of suspending the dealership's license for 7 days. He indicated that a suspension would allow the manufacturer to terminate R K Toyota's franchise agreement and would virtually result in the dealership closing. Ted Robertson seconded. All in favor: 8 (Sheehy, Robertson, Hunt, McCreight, Patrick, Pearson, Schroeder, Shelor). Opposed: 1 (Farmer). The motion carried.

- **Employee Pricing.** Vince Sheehy indicated that several dealers are advertising employee pricing, whether or not they had a manufacturer program behind them. He said that this needs to be monitored and to make sure all claims are verifiable. He recommended that a few advertised claims need to be verified. He would like to see a couple of examples for the next meeting so the Committee can provide guidance in this new arena of advertising.

The next meeting will be September 12, 2005.

#### **NEW BUSINESS FROM THE FLOOR**

There was no new business from the floor.

The meeting adjourned at 10:47 a.m.

Meeting Summary  
**Transaction Recovery Fund Committee**  
Monday, July 11, 2005

Chairman Steve Farmer called the Transaction Recovery Fund Committee meeting to order at 11:00 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Clyde King, David Lacy, Chris Schroeder, Larry Shelor and Lynn Hooper. (Absent: Bobby Joe Dotson). Other Board members present: D B Smit, Ted Robertson, Vince Sheehy, Robert Woodall, Todd Hyman, Frank Pohanka, Rick Hunt, Pat Patrick, Max Pearson and Hugh McCreight. Executive Director Bruce Gould, Peggy Bailey and Debbie Allison represented the Dealer Board. Jim Gurney and Don Boswell represented DMV. Rick Walton represented the Attorney General's Office.

The May 9, 2005 summary was approved.

**PUBLIC COMMENT:**

Don Hall stated that since the Licensing Committee had already made a decision concerning R K Toyota, that he could now note that R K's attorney, Kenneth Stolle is also a State Senator. Further, Senator Stolle was the patron of the bill that created the Motor Vehicle Dealer Board. He fought hard for the bill despite arguments that a Board composed primarily of dealers would never be hard enough and turn a blind eye to violations. Mr. Hall stated that he can attest to the fact that this is not the case and that the Members have done a great job.

**OLD BUSINESS**

**OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

**NEW BUSINESS**

**Review and Action: Informal Fact-Finding Conference Results:**

- **James & Gloria Brandt and Celebration Chevrolet and Nations Auto Loan Center.** On March 3, 2001, James and Gloria Brandt purchased a 1995 Toyota Camry from Nations Auto Loan Center for \$6,724.00. In connection with the purchase, Nations by and through its sales agents, represented that it was selling the vehicle for Celebration Chevrolet and Navneet Gupta, salesperson for Nations. The Brandt's signed a Retail Installment Sales Contract (RISC) and agreed to pay \$152.02 per month with an annual interest rate of 10.99%. The RISC, which Nations and Celebration submitted to Onyx Acceptance Corp. had a higher interest rate and required a monthly payment of \$159.99, which the Brandt's had not signed. Nations and Celebration did not provide an odometer disclosure on the vehicle and did not allow the Brandt's to see the old title to the vehicle, which would have correctly shown that the Toyota was a 1993 vehicle instead of a 1995. The Brandt's never received permanent tags on the vehicle and has been without use of the vehicle since the expiration of the 30 day tags.

The Brandt's sought legal counsel (Thomas Breeden, Esquire) upon learning the vehicle was a 1993. On May 6, 2001, Mr. Breeden sent a letter to Celebration and Onyx Acceptance Corp notifying them of his findings and that the Brandt's were canceling the sales transaction. As a direct result of Nations and Celebration not buying the RISC back from Onyx, in March 2002, Onyx repossessed the vehicle and has attempted to collect the payoff of the vehicle from the Brandt's. On February 19, 2004, Judgment was awarded to the Brandt's against Celebration for damages in the amount of \$84,000.00; Judgment was awarded to the Brandt's against Nations for damages in the amount of \$17,500.00. On April 9, 2004, Judgment was awarded to the Brandt's for attorney fees and costs in the amount of \$63,906.56. Considering this is a very unique situation; and this is the first time that a claim has been submitted against the Fund involving two dealerships in one transaction; therefore, staff is unable to make a recommendation regarding payment from the Fund and requests the expertise of the Board members. On June 3, 2005, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing officer recommended that the Fund pay Mr. Brandt \$15,651.09 in full satisfaction of his claims and pay \$2,500 to Ms. Brandt in full satisfaction of her claims.

After further discussion and review of the information provided to the Committee in their notebooks, a motion was made by Steve Farmer to reject the hearing office's recommendation and pay \$20,000.00 to Mr. Brandt and pay \$20,000.00 to Mrs. Brandt for a total payment of \$40,000.00. Chris Schroeder seconded. General discussion followed.

An amended motion was made by Lynn Hooper to reduce the payment to \$20,000.00 for the Brandt's combined, because it was a single transaction. Max Pearson seconded. The motion carried unanimously.

- **Michael & Gina Thompson and Automax Sales, Inc.** On or about September 21, 2002, Michael and Gina Thompson purchased a 1997 Mazda from Automax Sales, Inc. for \$21,407.61. The Thompson's made a down payment of \$2,056.97 and remainder was financed. Within one day of the sale, the Thompson's began to have mechanical problems with the vehicle. They attempted to return the vehicle to Automax; however, they would not accept the return or refund their down payment. After the sale, they also discovered that Automax had forged their signatures on a Buyer's Order and the after-market warranty, in which the terms on these documents were less favorable than the contract they had originally agreed. On February 16, 2004, the Thompson's legal counsel (Leonard Bennett) filed a Notice of Motion for Judgment against Automax Sales, Inc. for violations of Virginia Motor Vehicle Dealer Licensing Laws, fraud and violations of the Virginia Consumer Protection Act. On March 29, 2004, judgment was awarded the Thompson's against Automax in the amount of \$10,081.00. On September 14, 2004, Mr. Bennett submitted to the Dealer Board the Thompson's documentation in order to file a claim against the Transaction Recovery Fund. On December 8, 2004, Mr. Bennett submitted to the Dealer Board the Judgment Claim Request form. On April 11, 2005, Mr. Bennett submitted to the Dealer Board the attested judgment order and requested his client's claim be processed as quickly as possible. After carefully reviewing all documentation and the final judgment order, it is recommended that the Recovery Fund Committee and Board approve \$10,081.00 on the Thompson's claim against the Fund. On June 14, 2005, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing officer agrees with the Board staff's claim approval and recommended that the Board approve payment to the Thompson's in the amount of \$10,081.00.

After further discussion and review of the information provided to the Committee in their notebooks, a motion was made by Steve Farmer to accept the hearing officer's recommendation and pay the Thompson's in the amount of \$10,081.00. Lynn Hooper seconded. The motion carried unanimously.

#### **NEW BUSINESS FROM THE FLOOR**

There was no old business from the floor.

The next meeting was scheduled for September 12, 2005.

The meeting adjourned at 11:35 a.m.